with that policy. The most expedient thing to do in such a case would be to grant the surety priority over all other creditors except the government.

TAXATION—ANNUITY BONDS—PREMIUMS.—The relator, a life insurance company privileged by its charter to grant annuity bonds, objected to an assessment under N. Y. Cons. Laws (1909) c. 60, § 187, claiming the purchase moneys received by the company for annuity bonds were not "premiums" within the meaning of the act. *Held,* two judges dissenting, this income is not taxable. *People ex rel. Metropolitan Life Ins. Co.* v. *Knapp* (App. Div. 3rd Dept. 1920) 184 N. Y. Supp. 345.

The tax provided for in the statute in question is a tax on the privilege of doing business. *People* v. *Miller* (1903) 177 N. Y. 51, 69 N. E. 124. The purpose of the statute was to tax all the business done by an insurance company. See *People* v. *Miller* (1904) 177 N. Y. 515, 70 N. E. 10. In the principal case, the court found difficulty in saying that the payment for an annuity bond was a "premium" since that word is commonly applied to the consideration for a contract of insurance. 6 *Words & Phrases* 5514. Some courts have drawn a distinction between life insurance contracts and annuity bonds on the ground that the former are indemnity contracts, while the latter are absolute engagements for the payment of money. *Commonwealth* v. *Metropolitan Life Ins. Co.* (1916) 254 Pa. St. 510, 514, 98 Atl. 1072; *People* v. *Security Life Ins. etc. Co.* (1879) 78 N. Y. 114, 128. The distinction drawn in the latter case, however, was criticized in *Atty. Genl.* v. *North Amer. Life Ins. Co.* (1880) 82 N. Y. 172, 187, 188. But a life insurance contract is not one of indemnity. *Dalby* v. *India etc. Life Ass. Co.* (1854) 18 Jur. 1024. It is, rather, an engagement to pay on the happening of a condition. *St. John* v. *American Mutual Life Ins. Co.* (1855) 13 N. Y. 31. It may, as in the case of an endowment policy, contain the further promise by the insurers to pay a certain sum at the expiration of a stipulated period, if the insured live so long. Further, the statute in New York regards the granting of annuity bonds as a form of insurance. N. Y. Cons. Laws (1909) c. 28, § 70, provides means of incorporation " . . . for the purpose of making any of the following kinds of insurance: (1) Upon the lives and health of persons . . . and to grant, purchase or dispose of annuities." None other than an insurance company may engage in the business of granting annuities. N. Y. Cons. Laws (1909) c. 4, § 2. It seems, therefore, that even though annuities differ from insurance contracts in that one is the converse of the other, as was pointed out in the principal case, the legislature intended that annuities be regarded as part of the insurance business; and further that a tax be paid on the total business done. The word "premium" was probably used in the statute because the legislature wished to include only income from the writing of contracts for which the company was organized; and did not wish to include income from other sources, such as mortgages, *etc.*

WILLS—MORTGAGE DEBT—PERSONALTY CHARGEABLE.—T devised to the appellee land encumbered by a mortgage, payment of which T had assumed. The will also provided that the appellee take charge of all of the testator's bills receivable, and apply this money to the payment of the testator's debts. *Held,* the appellee properly aplied the funds collected to the payment of the mortgage debt on the land devised to him. *Barlow et al.* v. *Cain* (Ark. 1920) 225 S. W. 228.

The usual order of marshaling the assets of a deceased person for the payment of his debts is:—(1) personalty, (2) realty specifically charged, (3) realty descended, (4) realty devised. See *Sweeney* v. *Warren* (1891) 127 N. Y. 426, 432, 208 N. E. 413. For this reason, merely charging realty with the pay-